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INFO RUEHZA/WHA CENTRAL AMERICAN COLLECTIVE PRIORITY  
RUEHCV/AMEMBASSY CARACAS PRIORITY 0379  
RUEHME/AMEMBASSY MEXICO PRIORITY 6428  
RHEBAAA/DEPT OF ENERGY WASHDC PRIORITY  
RUCPDOG/DEPT OF COMMERCE WASHDC PRIORITY  
RUEAIIA/CIA WASHDC PRIORITY  
RHEHNSC/NSC WASHDC PRIORITY  
RUEATRS/DEPT OF TREASURY WASHDC PRIORITY  
RUEHLMC/MILLENNIUM CHALLENGE CORP WASHINGTON DC PRIORITY 0408

C O N F I D E N T I A L SECTION 01 OF 02 TEGUCIGALPA 001026

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STATE FOR EB/ESC, WHA/EPSC, WHA/PPC, AND WHA/CEN  
STATE FOR D, E, P, AND WHA  
TREASURY FOR JHOEK  
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NSC FOR DAN FISK

E.O. 12958: DECL: 06/05/2016

TAGS: [EPET](#) [PREL](#) [ECON](#) [ENRG](#) [VE](#) [HO](#)

SUBJECT: (C) HONDURAS: ZELAYA MISSED POTUS' POINT ON  
CHAVEZ; PRESS PLAYS MEETING AS GREEN LIGHT FOR VENEZUELA  
DEAL

REF: TEGUCIGALPA 985 AND PREVIOUS

Classified By: CDA James Williard for reasons 1.4 (b) and (d)

¶1. (C) Summary: The POTUS/Zelaya meeting on June 5 is being portrayed in all Honduran press as a USG "green light" for a GOH deal with Venezuela's Hugo Chavez. This misleading spin makes it easier for the GOH to rationalize making such a deal (with all the negative consequences that entails), and undermines Post credibility, by suggesting POTUS does not support Post's tough stand on PetroCaribe. Post has received a draft clarification press release from the Honduran Embassy in Washington stating that at no time did POTUS support Venezuela. Post will immediately work to ensure the widest possible distribution of this press release, accompanied as appropriate by additional background interviews to reinforce key USG points. End Summary.

¶2. (C) Contrary to Post's understanding of what was actually said in the June 5 meeting between Honduran President Jose Manuel "Mel" Zelaya and POTUS, Zelaya emerged from the meeting to give extensive remarks that implied USG tacit support for a GOH deal with Venezuela and President Hugo Chavez. Whether intended or not (and Post believes it was intended), Zelaya's remarks were carried by all national and international press services (including AP and AFP) as a "green light" for a Honduran deal with Chavez. Front page headlines in both leading newspapers make this claim, with National-leaning El Heraldo saying "Bush Does Not Object to Commercial Deal with Chavez" and Liberal-leaning La Tribuna going even further with its headline of "Bush Supports Commercial Deal with Venezuela."

¶3. (C) Following a call from Post, La Tribuna gave extensive coverage as well to Ambassador Ford's comments, correctly interpreting them as "a subtle contradiction" of what President Zelaya had said. El Heraldo, however, interpreted the difference as Ambassador Ford "missing" the signal from POTUS, and wondering aloud if he will be reprimanded by the Secretary.

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¶4. (C) Liberal-leaning newspaper Tiempo's headline read "American Oil Companies Will Participate in Bid Solicitation." This is also incorrect, since during the meeting between those companies and President Zelaya, the companies requested and received promises of a meeting to discuss the terms of such a bid solicitation process, after which they would decide if they will participate.

¶5. (C) Comment: Despite very clear warnings from Post and from POTUS about the risks of a deal with Chavez, it seems clear from his remarks that Zelaya remains intent on pushing forward with his plan. It is unclear if his is a case of hearing only what he wants to hear, or of grossly misrepresenting POTUS' remarks for political motives. In either case, it seems clear to Post that Zelaya seeks to convince his domestic audience that the USG would be comfortable with a GOH/GOV deal. This has two, immediate, sharp repercussions: first, it makes the inking of such a deal more likely (with all the negative consequences that implies for warmer GOH relations with Chavez), and second, this public spin could be used to undermine Post's credibility, by implying (as El Heraldo has done) that Post's tough stance on this issue is not supported by Washington.

¶6. (C) Comment continued: In response to USG concerns over this issue, Post has received a press statement from the Honduran Embassy in Washington in which the GOH clarifies that "At no time did President Bush voice support for Venezuela. Rather, the USG expressed its respect for the sovereignty and liberty of the GOH..." Post will conduct active outreach to all Honduran media outlets to ensure wide distribution of this statement, accompanied as appropriate by background briefings reiterating key points of the USG position. End Comment.

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